

The situation of the Republic of 1854.

With the last three months we have repeatedly called the attention of our readers to the

increasing symptoms in the movements of the

stock market, commercial, and financial world,

of an impending monetary revolution, analogous

in its causes and results to the memorable

collapse of 1837.

The year 1835 and the year 1836 were years

which carried away the whole business com-

munity on the high tide of an excessive pet bank

infatuation, beyond all the bounds of safety com-

mon honesty, or common sense. A puff of wind

came—a branch was made in the flimsy fabric—

a tearing storm followed, and the magnificent

air-built castle, from its topmost towers to its

outside palladiums, was swept away into the gulf

of universal bankruptcy. Van Buren and the

democratic party were held responsible; and by

an overwhelming uprising of a swindled and

indignant people, the successor of Jackson was

ignominiously repudiated in 1840. Years

elapsed; trade, exchanges, commerce and stock

jobbing gradually assumed the forms of order

and regularity; shippers were superseded by

more reliable paper, and the State banks

generally were reorganized upon something

like a healthy system of operations. With

slight and temporary fluctuations, the move-

ments of Wall street were plain sailing till the

gold began to pour in from California.

The first arrival of California gold excited

a general incredulity concerning the astonishing

rumors of the illimitable supplies of the

precious metal in the newly acquired El Dorado;

but as the shipments increased from month

to month, unbelief gave way to confidence and

confidence to enthusiasm. A spirit of speculation

and stock jobbing speedily followed; but for

some time, with the experience of 1836-7 as a

warning, the highest demands were amply

supplied by the regular and steadily increasing

receipts of gold from San Francisco in ex-

change for New York merchandise. The Cali-

fornia mines were inexhaustible; and the subse-

quent discovery of richer washings and larger

"chinks" and "nuggets" among the hills and

gullies of Australia, would warrant the most

unlimited and the most preposterous schemes

of speculation in mines, genuine or spurious,

incorporations with souls and bodies, or with-

out either body or soul, in all sorts of conspi-

racious for feeding the gullible public of their

superabundance of cash. They were all avail-

able, and all in request.

The summer of the year 1855 was the cul-

minating point of this golden epoch of inflation.

The Crystal Palace was the comprehensive em-

bodiment of the fact. We adhere to this as-

sumption. The Crystal Palace was the thing

which overdid the thing—the extra tale of mer-

chandise, or the one feather more which

broke the camel's back, and which gave us,

over his prostrate body, the first front

view of the elephant. It was the inauguration

of the Crystal Palace that inaugurated the be-

ginning of the collapse. The success of the

royal speculation at Hyde Park had inflamed

the patriotism of some of our enterprising citi-

zens till the agency was insupportable. They

ordered a Crystal Palace for New York; for the

London, the Paris, the St. Petersburg of Amer-

ica was entitled to it—and they knew the thing

would pay. The products of art, genius, and

industry, from the four winds of heaven and all

the islands of the sea, collected and artistically

arranged in a beautiful glass house, would cer-

tainly pay. The country was flush of money,

California and Australia bravely kept up the

supplies, our people were becoming rich, luxu-

rious and extravagant, and were all agog for

some new excitement in the absence of a Pres-

idential election. The Crystal Palace was de-

clared the greatest desideratum of the age.

The stock went off at a high figure, like hot

cakes on a frosty morning. The whole com-

munity was infected with the contagion. It was

the old mania of the South Sea bubble—the

Yazoo scheme, and the morus multicaulis

in posture, in a new shape. Everybody in New

York was to be enriched by it; and the island,

within two or three years, it was predicted,

would prove to be too small to contain the

people, the buildings and the increased mer-

chandise which would flow in upon us.

And what was the result? Stocks went up,

Parker Veins, and veins in Grass Valley and in

the moon went up, bread-stuffs and provisions

went up, town lots and country homesteads

went up, marble stores and brown stone pal-

aces went up, and rents went up to an incredible

figure; and notwithstanding a revolution was

distinctly foreshadowed from the inauguration

of Darnum's second-hand museum of industrial

curiosities, rents continued to go up till last

May, when they were raised to such amazing

figures of extortion as to excite a sensation of

reaction, something of a panic and something

of a pause.

The self-adjusting balances of supply and de-

mand have been quietly, but to an inspec-

table extent, rapidly working out a revolution,

and a collapse. Last year, the new buildings

erected in New York might be counted by

thousands; this year, with all the materials to

be had at much lower prices, they are reduced

to a few scattering hundreds. The difference

is manifest everywhere throughout the city.

Last year, from the multitudes attracted to

New York by the Palace, or driven here by

the yellow fever in the South, our sales of mer-

chandise to country dealers were doubled,

trebled and quadrupled in quantity; and to an

unusual extent, the goods were of the richest

qualities. But how could our friends in the in-

terior abstain when money was easy and credits

so liberal? Basing their estimates upon their

delusive sales, our merchant princes launch-

ed boldly forth into princely expenditures

of their own credit in fine stores,

fine silks, fine houses, splendid turnouts,

royal dinners and fast horses. What were

two or three thousand for an elegant pair of

Vermont bays? A mere trifle. What was a

grand fine dress exclusive ball, costing five

ten or fifteen thousand dollars, to the New

York merchant who could afford ten thousand

dollars rent for a store and twenty thousand

for clerk hire? A bagatelle. What was a

dwelling house costing fifty thousand dollars?

All the fish.

But the dance is over, and the floor, but in

land, is collecting his pay. We are beginning

to count our exports of specie to Europe by

millions per week; our merchants are falling

back upon the country, and the country is slow

to raise the needed supplies. Wall street is flat,

trade is dull, stocks are down, and money is

easy upon very sound securities. Uncomfortable

supplies of last year's stock of importations

still remain on hand. They must be shoved off

at a sacrifice into the country, or sold for what

they will fetch under the hammer. Room is

wanted for the fall styles of 1854, and the sur-

plusage of 1853 and of the last spring cannot

be permitted to remain over as so much

dead capital when cash is so badly want-

ed. The prospect, therefore, is, that the drain

of specie to Europe will continue, and that our

importers, in many cases, with all their efforts

to meet their European liabilities, will fail to

do so, from the failure of the interior to come

to their relief. Extraordinary loans upon

usury by the banks will only transfer the

hazard from the merchants to the banks them-

selves; and when they fail, the revolution will

be complete and universal.

A more palpable falling off in the monstrous

estimates of 1853, of our speculators and finan-

ciers, far more decisive and remarkable than

the tightness among the merchants, is the de-

cline in this city in rents and real estate. In

every principal street there are unoccupied

houses and stores, and significant and un-

reasonable placards are liberally posted up, notifi-

ing the passenger of "this house to let," "the

upper part of this house to let," "for sale or

rent," &c. Here and there an unfinished block

has been stopped in the course of its erection;

and the interest, at least, of the capital expend-

ed is lost, from the want of capital to finish it,

or the whole capital expended may have been

sacrificed, from the usurious terms upon which

it was borrowed.

While there was a hope of restoring the equi-

librium of things without material detriment to

the community at large, we were disposed to pass

by these evidences of an over-strained specu-

lation sinking into a collapse; but now that the

day of settlement is at hand, and the disease ap-

pears to be an unmistakable epidemic, we may